IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF NORTH CAROLINA RALEIGH DIVISION

IN RE: CHAPTER 11

Wireless Systems Solutions LLC,

CASE NO. 22-00513-5-JNC

Debtor.

APPLICATION FOR APPROVAL OF COMPENSATION AND EMPLOYMENT OF INSIDERS

Pursuant to the provisions of Chapter 11 of the Bankruptcy Code, and Local Bankruptcy Rule No. 4002-1(d)(1), Wireless Systems Solutions, LLC, Debtor in the above-referenced case, by and through counsel, hereby makes this application for approval of compensation and employment of insiders Laslo Gross and Susan Gross; and in support thereof, shows unto the Court as follows:

- 1. WSS is a North Carolina Limited Liability Company formed in 2015 with a principal offices and assets in Cary, North Carolina and Morrisville, North Carolina. WSS has ten employees, all located in North Carolina.
- 2. WSS is a designer and developer of multi-standard, frequency band agnostic, cellular network solutions that leverage its expertise in cellular and wireless communications technology at large. WSS is able to offer a portfolio of products and platforms suitable for multiple markets including defense, first-responders, utilities, telcos, and general network infrastructure solutions. Each WSS product is designed for multi-mode flexibility and efficiency (size, scalability, functionality, ease of integration & deployment).
- 3. WSS is working with the Rural Broadband Initiative and the State of North Carolina to provide connectivity (i.e., internet services) to underserved areas and populations that do not have access to the internet at all or at affordable rates.

- 4. Laslo Gross and WSS have been asked to participate in the Dept. of Agriculture and FCC's taskforce on Precision Agriculture.
- 5. WSS owes approximately \$2 Million to the U.S. Small Business Administration (the "SBA.") The SBA holds a first lien on all of the WSS' tangible and intangible assets. WSS believes that the lien of the SBA was properly perfected with the filing of a financing statement on August 10, 2020. CIT Bank holds a second position lien on certain collateral, but the Debtor believes that most or all of that collateral has been destroyed pursuant to a court order.
- 6. Between 2017 and 2020, WSS entered into a series of agreements with Smartsky Networks, LLC ("Smartsky.") A dispute arose between WSS and Smartsky (along with other parties) and an arbitration award was entered against WSS and other parties on October 1, 2021.
- 7. Smartsky sought to confirm the arbitration award in the United States District Court for the Middle District of North Carolina. WSS opposed that confirmation, but the award was confirmed on February 7, 2022, and a judgment was entered the same day (the "Judgment.") WSS Filed a notice of appeal of the Judgment on March 7, 2022.
- 8. In addition to a monetary award in excess of \$12 Million, the Judgment contained an injunction. WSS has complied, and will continue to comply, with the injunction so long as it remains in effect. WSS is able to operate profitably while complying with the injunction and anticipates filing a plan of reorganization which provides for, but does not rely, on relief from the injunction.
- 9. WSS filed a voluntary petition under Chapter 11 on March 9, 2022. The goal of this Chapter 11 is to preserve the value of WSS and restructure the debts of WSS, including the Judgment, so that WSS may pay, over time, as much as practicable to its secured and unsecured creditors. WSS believes that reorganization is a vastly superior alternative to liquidation, and that

2

in a liquidation, unsecured creditors would receive little, if any, return. Debtor's business requires the services of the following individuals: Laslo Gross and Susan Gross.

- 10. Laslo Gross is responsible for the following duties: establishment and management of strategic relationships with outside partners, vendors, customers; strategic direction of the business, including but not limited to product marketing and business development, system and architectural design, product definition, product implementation; direction of the engineering staff in implementation of the above for successful product development; and, review to ensure product implementation goals are achieved.
- 11. Susan Gross is responsible for the following duties: management of administrative activities including, but not limited to financial administration working with financial institutions/vendors relating to general business matters, lines of credit as well as liaising with outside accountants; working with outside counsel with respect to contracts and other legal matters; management of administrative staff relating to procurement and purchasing for production, shipping and delivery of products, and human resources.
- 12. Prior to the filing of the bankruptcy, Mr. Gross received a monthly gross salary of \$8,000.00. In addition, the Debtor makes payments for Mr. Gross's cell phone. In 2021, Mr. Gross's gross compensation \$84,039.35.
- 13. Prior to the filing of the bankruptcy, Ms. Gross did not receive a monthly salary. The Debtor has regularly reimbursed Ms. Gross for expenses charged to her credit card in the amount of approximately \$375.00 per month and paid for Ms. Gross's cell phone. Those reimbursed expenses include licensing fees for software Debtor needs for operation. In 2021, Ms. Gross received reimbursements for \$3,844.31 in expenses expended on behalf of the Debtor.

3

14. The employment of Mr. Gross and Ms. Gross is necessary to the successful

reorganization of the Debtor.

15. Debtor requests that, during the case, Mr. Gross receive a monthly gross salary of

\$8,000 per month, and payment of Mr. Gross's cellular telephone bill

16. Debtor further requests that, during the case, Ms. Gross receive a monthly gross

salary of \$5,000, and that the Debtor continue to reimburse necessary business expenses and pay

for Ms. Gross's cellular telephone.

WHEREFORE, Debtor prays that it be authorized to employ and compensate Mr. Gross

and Ms. Gross on the basis set out herein, and that it have such other and further relief as is just.

This the 10th day of March, 2022.

STEVENS MARTIN VAUGHN & TADYCH, PLLC

s/ Kathleen O'Malley

Kathleen O'Malley

State Bar No. 51654

6300 Creedmoor Rd.

Suite 170-370

Raleigh, NC 27612

Tel.: (919) 582-2300

Email: komalley@smvt.com

VERIFICATION OF SUSAN GROSS

I, Susan Gross, Family Trustee of the Gross Family Protection Trust, dated August 3, 2020, first being duly sworn, depose and say that the Gross Family Protection Trust is a member of the Debtor, that on behalf of the Gross Family Protection Trust, I have read the same and the contents thereof are true and correct to the best of my knowledge, information and belief.

This the 10th day of March, 2022.

The Gross Family Protection Trust, dated August 3, 2020

Susan Gross, Family Trustee

CERTIFICATE OF SERVICE

The undersigned does hereby certify that copies of the foregoing <u>APPLICATION FOR APPROVAL OF COMPENSATION AND EMPLOYMENT OF OFFICERS and NOTICE</u> thereof have been served upon each of the parties listed below via First-Class U.S. Mail, or electronically as indicated below:

Wireless Systems Solutions LLC (Via	Kirstin Gardner (Via Email)
CM/ECF)	Bankruptcy Administrator, EDNC
ATTN: Susan Gross	434 Fayetteville Street, Suite 640
102 Ripplewater Lane	Raleigh, NC 27601
Cary, NC 27518	Email: Kirstin gardner@nceba.uscourts.gov

All other parties registered to receive electronic service through the CM/ECF system.

This the 10th day of March, 2022.

STEVENS MARTIN VAUGHN & TADYCH, PLLC

s/ Kathleen O'Malley Kathleen O'Malley State Bar No. 51654 6300 Creedmoor Rd. Suite 170-370 Raleigh, NC 27612

Tel.: (919) 582-2300

Email: komalley@smvt.com